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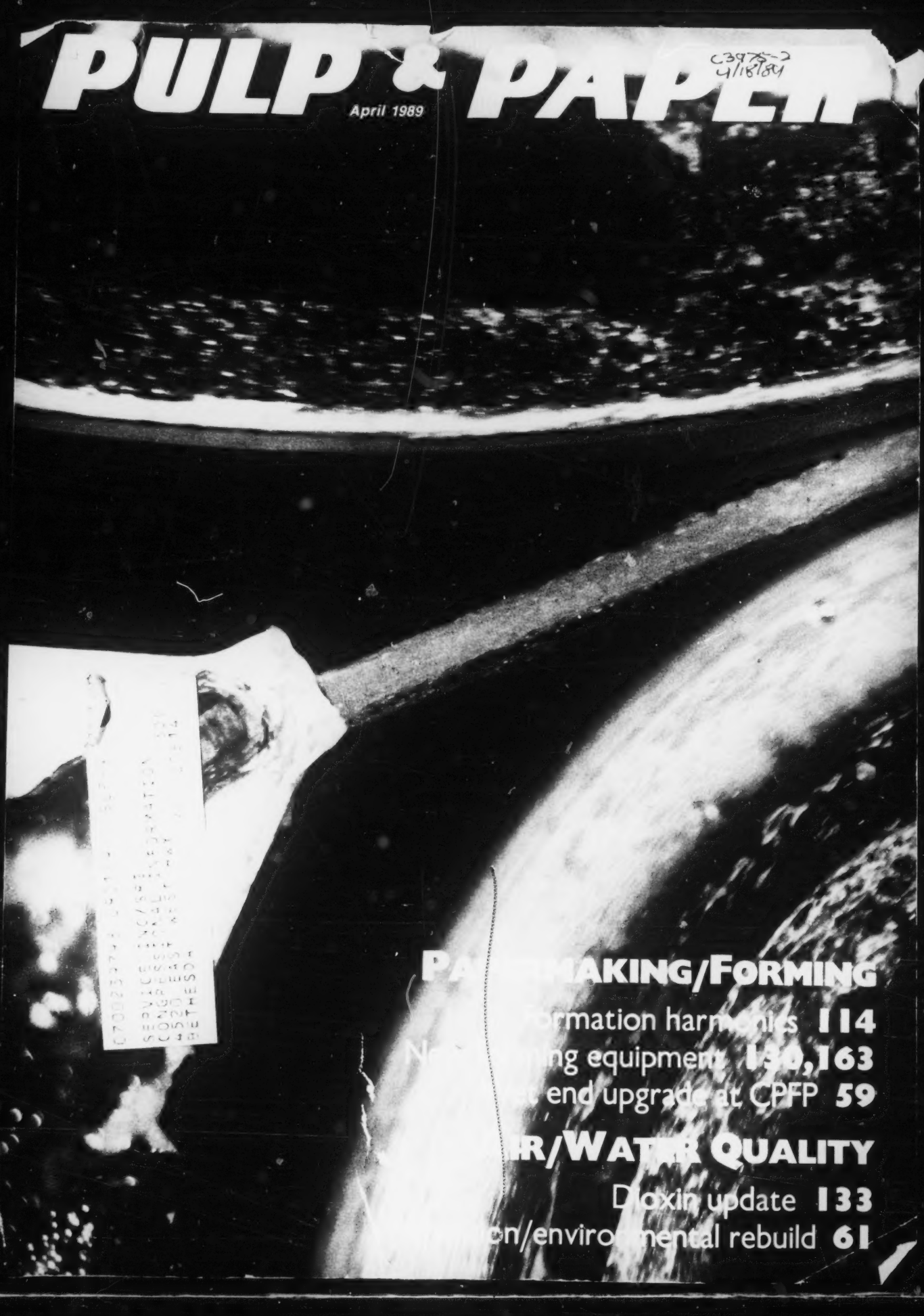
PULP & PAPER

April 1989



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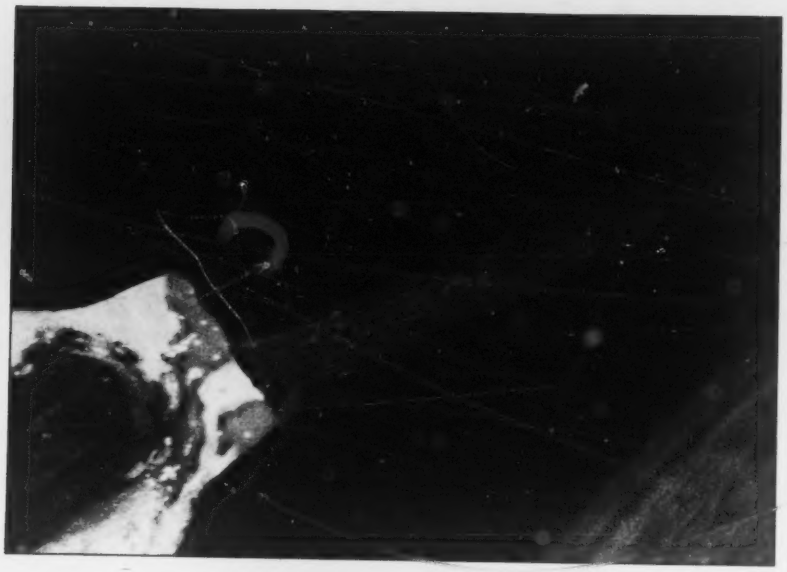

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Atlanta: 2700 Cumberland Parkway N.W., Suite 530, Atlanta, Ga. 30339; (404) 432-3186; Fax (404) 432-7834
Chicago: 35 E. Wacker Drive, Chicago, Ill. 60601; (312) 372-6238; Fax (312) 372-3864
San Francisco: 500 Howard Street, San Francisco, Calif. 94105; (415) 397-1881; Telex 278273; Fax (415) 543-0256
New York: 370 Lexington Avenue, New York, N.Y. 10017; (212) 683-9294; Telex 220442; Fax (212) 725-0915
Brussels: Chaussée de Charleroi 123a, Boite 5, B-1060, Brussels, Belgium; Telex 846-24672

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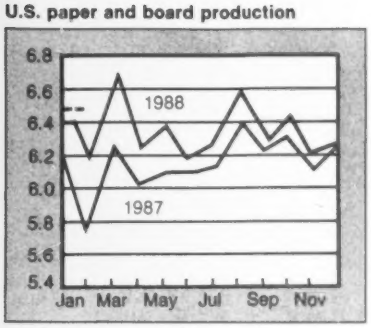
ABP

BPA

U.S. paper and board production



U.S. production of paper and paperboard totaled 6.5 million tons in January, up 0.7% from last year, according to American Paper Institute data. The seasonally adjusted annual rate was 76.5 million tpy overall, a slight 0.3% ahead of last year. The Commerce Dept. reported that paper, board, and products imports rose 0.2% in 1988, while exports climbed 7.0%. Exports of paper totaled a record 1.1 million tons, up 19.8% from 1987.

Among major grades, printing and writing grades suffered a decline of 2.6% due to weaker uncoated free-sheet and coated paper shipments. Uncoated groundwood and bristols remained strong, however. API reports that the major strengths in the printing paper markets are in office reprographics, commercial printing, and business forms converting. Containerboard production for domestic use was up 1.3%, as were fiber box shipments, after adjustment for an extra day in January 1989.

Canadian newsprint shipments totaled 763,000 metric tons in January, up 6.6% from a year earlier, according to the Canadian Pulp & Paper Assn. Woodpulp shipments dipped to 611,000 tons, off 0.3% from January 1988. Newsprint mills operated at 98% for the month, 1% higher than pulp mills. ■

	Latest month (000 short tons)		% change from year ago	Annualized year-to-date (000 short tons)	% change from year ago
PAPER & PAPERBOARD PRODUCTION[1]					
Newsprint	Jan.	512	2.6	6,088	1.7
Uncoated groundwood (s)	Jan.	143	-11.7	1,720	12.3
Coated paper (s)	Jan.	627	-1.7	7,526	-1.6
Uncoated free-sheet (s)	Jan.	890	-5.7	10,685	-5.6
Other printing/writing	Jan.	124	1.6	1,484	2.8
Total packaging and other paper (s)	Jan.	456	3.6	5,472	2.9
Tissue	Jan.	401	-10.1	5,771	7.2
Total paper	**Jan.**	**3,229**	**0.4**	**38,746**	**0.2**
Unbleached kraft paperboard	Jan.	1,667	1.8	19,995	1.7
Semichemical medium	Jan.	495	1.4	5,937	1.3
Bleached paperboard	Jan.	377	0.3	4,526	-0.2
Recycled paperboard	Jan.	744	-0.7	8,926	-0.2
Total paperboard	**Jan.**	**3,282**	**1.0**	**39,384**	**1.0**
Total U.S. paper and paperboard output	**Jan.**	**6,511**	**0.7**	**78,130**	**0.6**
PULP, WASTEPAPER & FIBER[2]					
Total U.S. woodpulp production	Dec.	5,282	2.4	61,210	2.0
Market pulp production	Dec.	764	5.7	8,455	4.2
Wastepaper consumption at paper/board mills	Dec.	1,507	1.2	18,859	3.2
Pulpwood consumption (cords)	Dec.	8,198	0.4	95,497	1.7
CONVERTED PRODUCTS STATISTICS[3]					
Corrugated box shipments (billion ft²)	Jan.	26.444	6.4	26.444[6]	6.4
Containerboard inventories at U.S. box plants and mills	Jan. 1	2,551	2.6		
INTERNATIONAL TRADE[2]					
U.S. paper imports (including products)	Dec.	794	-21.4	12,553	0.2
Imports of Canadian newsprint	Dec.	523	-21.8	8,288[6]	-3.5
U.S. paper exports (including products)	Dec.	490	6.5	5,560	7.0
Exports of unbleached kraft linerboard	Dec.	185	-1.1	2,141	-2.5
Exports of woodpulp	Dec.	573	8.7	5,528	13.1
Norscan pulp inventories[4]	Jan. 31	874	-4.5		
Norscan pulp operating rates[4]	Dec.	100%	97%	99%	100%
CANADIAN STATISTICS[5] *(reported in metric tons)*					
Total newsprint shipments	Jan.	763	6.6	763[6]	6.6
Operating rates	Jan.	98%	99%	98%	99%
Inventories held by U.S. consumers	Jan. 31	1,478	3.3		
Other paper/board shipments	Jan.	545	4.0	545	4.0
Woodpulp shipments (export only)	Jan.	611	-0.3	611	-0.3
Operating rates	Jan.	97%	97%	97%	97%

1. American Paper Institute. 2. API, Bureau of Census, American Pulpwood Assn. 3. Fibre Box Assn., Paperboard Packaging Council. 4. North American/Scandinavian paper-grade market pulp. 5. Canadian Pulp & Paper Assn. 6. Not annualized. (s) = Shipments.

Uncoated free-sheet: Pricing stabilizes as market demand moderates; cut-size still strong

Grade structure: Uncoated free-sheet (wood-free) paper contains no more than 10% mechanical pulp (often none). The balance is chemical (kraft) woodpulp. Excluded are uncoated groundwood, cotton fiber, bristols, and thin paper. Major end uses include business paper, such as stationery, reprographic, forms bond, tablet, and envelope, plus printing paper, such as offset, cover and text, and miscellaneous (i.e., technical, papeterie, or colored school).

A major trend in the uncoated white papers sector is the move to alkaline sizing. International Paper Co. is converting its Springhill and Hammermill mills to alkaline, and some new projects, including Willamette Industries Inc., Bennett, S.C., and Weyerhaeuser Canada Ltd., Prince Albert, Sask., are also alkaline.

Production/capacity: Paper used in advanced office technologies, primarily computers and copiers, continues to push up demand of uncoated free-sheet grades. Mills increased production by 3.5% in 1988 over the prior year. That compares with 5.5% production growth in 1987.

Capacity is also continuing to advance, rising 3.5% in 1988, according to the American Paper Institute. This growth is slower than in both 1986 and 1987. API expects a slight increase of 3.8% capacity growth in 1989. During 1988, Georgia-Pacific Corp. brought online a 290,000-short-tpy machine in Port Hudson, La., and Weyerhaeuser started up a 239,000-short-tpy machine in Saskatchewan. Approximately 150,000 short tons of additional capacity was achieved by IP by "debottlenecking" operations at various mills.

New capacity will come online this year at Domtar Inc.'s second 176,000-short-tpy machine at Windsor, Que., Canadian Pacific Forest Products in Dryden, Ont. (193,000 short tpy), and G-P's second 290,000-short-tpy machine at Port Hudson. In addition, IP/Hammermill will increase capacity 200,000 short tpy through speedups and rebuilds. Mohawk Paper Mills Inc. will add 15,000 to 20,000 tpy at its Cohoes and Waterford, N.Y., mills, and Kimberly-Clark Corp. will increase white papers capacity at Whiting, Wis., by 30,000 short tons. About 1.5 million additional tons will come onstream from 1990 to 1992, most via new machines.

Outlook: Operating rates at uncoated free-sheet mills are expected to be 97.3% in 1989, compared with 97.4% in 1988. Demand will remain relatively strong through this year, though orders for some grades, such as offset, are already mellowing after a frenetic 1988. As demand calms down and new machines come up, any allocations that remain are likely to be rescinded except, perhaps, for cut-size reprographic papers. Should the economy slow down as expected in the second half, paper will more likely become available.

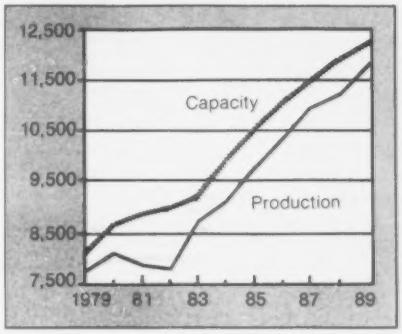
Imports are expected to advance as much as 13% in 1989 from 1988, compared with about 22.5% in 1988 over 1987.

Pricing: Mills lifted prices on uncoated free-sheet grades in 1987, 1988, and first-quarter 1989. These increases brought the significant grades of paper—cut-size, forms bond, and offset—to levels above their previous highs of 1984. Most mills had customers on at least limited allocation in 1988, but many of the restrictions were dropped at the end of the year as demand eased slightly for some grades, such as offset. Discounting on forms brought that grade to about $20/ton more than the earlier list of $860. Cut-size paper was not as subject to discounting at the start of the year.

Price trends for two important grades are (year-end, $/short ton, list) book paper, No. 3 offset, 45-lb sheets: 1984, $880; 1985, $800; 1986, $850; 1987, $850; 1988, $1,020. Forms bond, 15-lb rolls: 1984, $680; 1985, $600; 1986, $620; 1987, $760; 1988, $910.

Markets: Subgrade market shares in 1989 will be as follows: bond and reprographic, 26%; mimeo and duplicating, 1%; forms, 20%; offset printing, 26%; envelope, 10%; tablet, 4%; carbonless, 6%; and other, 7%.

SUPPLY/DEMAND (000 tons)



FORECAST (000 tons)

	1987	1988	1989e
Production[1]	10,977	11,356	11,824
Capacity[2]	11,493	11,897	12,352
Utilization rate	95.5	95.5	95.7
Imports	417	580e	640
Exports	68	78e	80
Apparent U.S. consumption	11,326	11,858	12,384
lb/capita	92.1	96.4	100.0
GNP ratio[3]	5.89[4]	5.93	6.06

e = Estimate.
1. *P&P* estimate.
2. American Paper Institute.
3. 1,000 tons/billion $ real GNP.
4. Revised.

TOP U.S. PRODUCERS (000 tpy)

	Annual capacity	Market share (%)
1. International Paper	2,100	17.0
2. Champion	1,114[1]	9.0
3. Georgia-Pacific	1,100	8.9
4. Boise Cascade	910	7.4
5. James River	872	7.1
6. Great Northern	870	7.0
7. Weyerhaeuser	807[2]	6.5
8. Union Camp	800	6.5
9. Mead	445[3]	3.6
10. P.H. Glatfelter	420	3.4

Market share of top five companies:
49.4%

Market share of top ten companies:
76.4%

Total U.S. capacity (1989):
12.352 million short tons

1. 1988 production.
2. Includes Prince Albert, Sask.
3. Includes carbonless basestock.

MARKET PULP

Millar Western to build mill in Saskatchewan

Millar Western Industries Ltd. announced that it plans to construct a 240,000-metric-tpy bleached chemithermomechanical pulp (BCTMP) mill near Meadow Lake, Sask. Start-up of the new facility is tentatively scheduled for early 1992 if all goes well with funding plans and environmental and other approvals.

The plans call for a greenfield mill almost identical to Millar Western's Whitecourt, Alta., 210,000-tpy BCTMP mill, which was brought online late last summer, said MacKenzie Millar, president of Millar Western. The mill would be mostly, if not completely, based on aspen fiber, drawing from the mix of hardwood and softwood trees in nearby timberlands that are now licensed under a Forest Management License Agreement to Norsask Forest Products Ltd. In addition, a small amount of chips from the nearby Norsask sawmill would also be used.

Under a proposed agreement, Millar Western would own part of Norsask, but it would run the new pulp mill separately under a subsidiary to be called Millar Western Pulp Meadow Lake Ltd. Norsask is a 16-year-old sawmill that was sold by the province last year to a group of investors made up of employees and a local Indian band.

In making the announcement, Eric Berntson, Saskatchewan deputy premier, indicated that the mill would "provide a stabilizing influence on the surrounding communities and a base for economic growth." The mill will employ about 110 people directly, as well as employing 250 people in related jobs, and it will generate approximately 1.2 million construction labor hours.

Millar Western is presently waiting for the results of an environmental impact assessment, which is expected in two to three months. If all goes well, site preparation will begin this fall, with completion of the building foundation and a warehouse by year-end. The mill could start up as early as late 1991, but early 1992 appears to be more probable, according to Millar.

The Saskatchewan government is planning to help finance the C$235-million project, but the details have not yet been worked out. In addition, Millar Western is also asking the federal government's Western Diversification Fund for C$50 million that would go toward the cost of infrastructure, indicating that the mill site has some "unique water, power, and road requirements."

The government assistance package that is being considered has been compared with the financial help that Millar Western received from the Alberta government for the Whitecourt mill, which cost approximately C$200 million to construct. In that case, the province purchased C$120 million in participating debentures, which will provide solid backing to attract other investors.

Millar said that the output from the Meadow Lake facility would be sold through the company's Edmonton, Alta.-based sales force and would be aimed at the same markets as the Whitecourt mill's production. Shipments are currently split just about evenly between tissue/toweling and printing/writing paper end uses, he said.

Whitecourt's second pulping line, which is dedicated to production of 100% aspen-based printing/writing-grade pulp, began operations at the end of last fall, and the mill has recently been operating at an average rate of 500 tpd, according to Miller. "Both lines are running very well, and we're ecstatic about the quality of the pulp that's coming out," he said.

• Millar Western Pulp Ltd. has announced that it will invest another C$2.5 million at its Whitecourt, Alta., 210,000-metric-tpy bleached chemithermomechanical market pulp mill to further reduce pollution levels of effluent discharged into the Athabasca River and to meet provincial water quality standards. The company indicated that it had expected its existing effluent treatment equipment to be adequate when the mill started up last August.

The pollution problem was discovered by the Alberta Environment Dept. in the mill's January report on operations, which showed that biomass levels of wastewater discharge from the mill exceeded standards. Millar Western was given a deadline of Oct. 31 to comply with a Water Quality Control Order. Plans call for the addition of an activated sludge treatment process and a secondary clarifier to the mill's current wastewater treatment system by November of this year. ■

North American chemi-thermomechanical pulp capacity expansions, 1988-92.

Announced	Mill	Capacity (metric tpy)	Startup
Cascades Inc.	Port Cartier, Que.	210,000	1988
Fibreco Export Inc.	Taylor, B.C.	180,000*	1988
Quesnel River Pulp[1]	Quesnel, B.C.	108,000	1988
Millar Western Pulp Ltd.	Whitecourt, Alta.	210,000*	1988
Tembec Inc.	Temiscaming, Que.	35,000	1989
Donohue Matane Inc.[2]	Matane, Que.	190,000*	1990
Louisiana-Pacific Corp.	Chetwynd, B.C.	155,000*	1991
Alberta Energy Corp.	Lesser Slave Lake, Alta.	110,000*	1991
Millar Western Pulp Ltd.	Meadow Lake, Sask.	240,000*	1992
Proposed			
Alcan Aluminum Ltd.	Vanderhoof, B.C.	n.a.*	n.a.
Shinho Paper Manufacturing	Thunder Bay, Ont.	120,000*	1990
Tembec Inc.	Temiscaming, Que.	100,000	n.a.
Fibreco Export Inc.	Taylor, B.C.	180,500	n.a.

n.a. = not available.
*Greenfield sites.
1. Joint venture 50:50 owned by Daishowa Canada Co. Ltd. and West Fraser Mills Ltd.
2. Joint venture of Donohue and Rexfor.

Longview Fibre adopts "poison pill" plan

Amidst continuing speculation of an impending takeover of Longview Fibre Co., the company adopted a "poison pill" measure, which caused its stock price to jump. Since late last year, WTD Industries Inc. has been mentioned as the most likely suitor, although the rumors have not been confirmed.

Longview vice president-finance, Ray McDermott, said the poison pill plan, which allows shareholders to purchase more stock in the event of an unsolicited takeover attempt, "was not in response to anything directly."

USA Today reported that the Mack Brothers of New Jersey, who own at least 4.8% of Longview's stock, were other likely contenders for control of the company. It was also reported that Paine Webber was rumored to be raising financing for a group to take over the company for at least $100/share.

Recently, Oppenheimer & Co. analyst Gary Palmero said that Longview's stock was overvalued and that WTD was not considered a "credible buyer." Longview's stock has gone from a low of 44½ to a high of 78 over the past year. ■

SALES AND EARNINGS

Canadian profits rose despite strong currency

For the second year in a row, the Canadian pulp and paper industry operated near full capacity in 1988, resulting in a 22.5% increase in earnings on a 6.2% rise in sales. A sellers market for pulp helped offset losses incurred from the rising Canadian dollar. The Canadian dollar opened the year at US77¢ and rose to US84¢ by year-end, averaging 81¢ over the year vs 75¢ in 1987.

As the industry rolls into 1989, paper company executives are cautiously watching for increased competition from U.S. firms because of the volatile U.S. dollar. Newsprint producers are grappling with swelling inventories, and downtime has already been slated by some mills.

Abitibi-Price Inc. racked up a 49.7% increase in earnings on sales of C$3.3 billion. The company reported that its earnings improved thanks to higher prices for most key products, higher volumes, and benefits realized from capital expenditures on the conversion and modernization of several of its facilities. Newsprint group capacity operations, when combined with price increases, more than offset the impact of the weakening U.S. dollar and led to record sales and operating profit. Bernd K. Koken, chairman and CEO, observed that both the Printing Papers and Diversified Groups reported strong gains, and he expects further growth in 1989. However, Koken noted that the newsprint group, given the new capacity expected to come online and the continuation of a weak U.S. dollar, will most likely not reach the level this year that it achieved in 1988.

Noranda Forest Inc.'s earnings improved 29.6% to $263 million on sales of $4.7 billion. The company said that although an improvement from 1987, the figures for 1988 reflect the negative impact of the stronger Canadian dollar, higher interest rates, and a wildcat strike at MacMillan Bloedel Ltd.'s Powell River, B.C., operation. Strong markets for most of the company's products helped to offset the decline in the wood products sector. As with several other Canadian forest products companies, Noranda's competitive position in wood products continued to erode in British Columbia and Quebec as a result of what it called the punitive stumpage systems imposed in those provinces and the softening world market for wood products.

Strong prices for pulp and containerboard products as well as newsprint boosted MacMillan Bloedel's 1988 earnings to a record $329 million on sales of $3.3 billion. The company attributes part of the strong showing to Dutch affiliate KNP, which it says has a healthy foothold in the European fine paper market. MB president and CEO Ray Smith said 1988's performance produced the company's strongest balance sheet ever. Early indications in 1989 are that markets for pulp, newsprint, linerboard, and corrugated medium should remain reasonably strong throughout the year, although signs of a softening lumber market are cause for some concern, noted Smith.

Canadian Pacific Forest Products Ltd. posted a 51% improvement in earnings to $323.4 million on sales of $3 billion. Chairman, president, and CEO Cecil S. Flenniken cited higher prices in most of the company's product lines and increased shipments as reasons for the improvement. The strong Canadian dollar caused the earnings growth to lag a bit, however, as more than half of CPFP's sales are made in U.S. dollars.

Consolidated-Bathurst Inc. had an

Canadian paper industry results.

	Year-end (C$000)			
Companies	Sales 1988	% change	Earnings 1988[1]	% change
Abitibi-Price Inc.	$3,304,500	10.6%	188,200	49.7%
Cantor Corp.	1,084,200	−12.9	101,600[2]	−4.2
Canadian Pacific	3,000,000	7.1	323,400[2]	11.8
Cascades Inc.	588,792	11.6	32,505	51.0
Consolidated-Bathurst Inc.	2,372,000	4.9	239,600[2]	11.8
Domtar Inc.	2,700,000	5.1	111,000	−31.1
Donohue Inc.	648,300	27.1	68,700	55.4
Fletcher Challenge	1,500,000	7.1	180,200	28.5
MacMillan Bloedel Ltd.	3,273,500	4.4	329,800	17.5
Noranda Forest Inc.	4,700,000	4.4	263,000	29.6
Repap Enterprises Inc.	1,030,000	11.1	92,800	48.5
Scott Paper Ltd.	313,173	8.6	16,245	11.9
Weldwood of Canada	894,500	20.7	62,000	30.3
Total	**$25,408,965**	**6.3%**	**$2,009,050**	**22.9%**

1. Income after taxes from continuing operations, excluding the most significant nonrecurring items in both years.
2. **Cantor:** Income includes extraordinary gains of $78.4 million related to Howe Sound Pulp & Paper and the reorganization of Cantor U.S.A. **Consolidated-Bathurst:** The year-ago net reflects a $32.9-million special gain. **Canadian Pacific Forest Products:** Net earnings for 1987 were derived based on the number of shares that would have been outstanding had the merger of GLFP and CIP taken place on Jan. 1, 1987.

11.8% increase in earnings to $239 million on sales of $2.3 billion. The company attributed the improvement to better prices for all pulp and paper products and strong results in its U.K. newsprint operations. The increase was offset somewhat by the lower U.S. dollar and reduced shipments.

Overall earnings for Domtar Inc. dropped 31.1% in 1988 to $111 million. Operating profit for the pulp and fine paper businesses declined as a result of the Quévillon pulp mill strike, which significantly reduced shipments of market pulp and also adversely affected the startup of the rehabilitated Windsor mill and operation of the company's other fine paper mills. Profits for newsprint and groundwood specialty paper as well as packaging products increased due to higher selling prices.

Repap Enterprise Corp. generated earnings of $92.8 million in 1988—an increase of 48.5% over 1987. The company enjoyed sales of $1 billion, up 11.1% from 1987. Both the expansion at Miramichi Pulp & Paper Co. and an $80-million modernization at the Skeena pulp complex are expected to be completed this year.

• Stone Container Corp. enjoyed a net income in 1988 of $341.8 million—an 111.9% increase over 1987. Sales increased 15.7% to $3.7 billion. Fourth-quarter 1988 earnings rose 88.1% to $109.3 million, including a gain of $17.3 million relating to the transfer of 50% of Stone's ownership interest in a subsidiary. "While the major factor contributing to the strong earnings has been the continuing strong demand for our products, we have also benefited from programs that have increased productivity and reduced costs," said Roger W. Stone, chairman, president, and CEO.

• Temple-Inland Inc. enjoyed an increase in earnings of 40.9% on sales of $1.8 billion. Fibreboard Corp.'s earnings dropped 39.3% to $817,000, excluding discontinued operations, on sales of $174 million. P.H. Glatfelter Co.'s earnings enjoyed a 49.4% jump to $82 million on increased sales of $569 million. ■

Demand still brisk coming off '88, Cavaney tells API

"The U.S. pulp and paper industry in 1989 continues to build on last year's record-breaking performance," Red Cavaney, president of the American Paper Institute, said at the opening of the trade association's 112th annual meeting, held Mar. 13 at the Waldorf Astoria in New York, N.Y. "Most of the major grades of paper and paperboard are still finding strong markets for their products, as economic growth continues," he noted. "Paper and paperboard production continues steadily at a near-record seasonally adjusted rate of about 76.5 million tpy, close to its rate of a year ago."

He said that by "virtually any measure, 1988 marked the best year of this decade for the paper industry." Advancing to a new peak for the third successive year, production of paper and paperboard for domestic use and export totaled 76.7 million tons, 3.0% ahead of 1987. Sales and capital investment also reached new highs. "Surpassing the $100 billion level for the first time, 1988 sales of companies within the paper industry reached an estimated $108 billion."

Thanks to worldwide economic growth and favorable exchange rates, U.S. producers continued to make gains in the export markets. Exports of paper, paperboard, and converted products rose 7% to 5.6 million tons in 1988 from 5.2 million the previous year. Market pulp exports rose 5% to 5.1 million tons. Wastepaper exports (largely to Pacific Rim countries) surged 27.5% to 5.6 million tons.

Imports of paper and paperboard were essentially unchanged last year. However, imports of most printing/writing grades increased rapidly, advancing 16%, and accounted for 11.5% of 1988 U.S. consumption of these grades. About half of these imports came from Canada, where new export-oriented capacity recently started up.

The U.S. paper industry increased its consumption of wastepaper in 1988 by 866,000 tons, bringing to 19.6 million tons the amount of wastepaper used by the industry in the production of paper, paperboard, and construction grades, Cavaney said. This total, an increase of 4.6% above 1987 levels, was equal to 25% of the industry's total production. Another 500,000 tons went for other uses, such as molded pulp and insulation, bringing total U.S. consumption to 20.1 million tons.

Also during 1988, net exports of wastepaper rose sharply by 1.2 million tons. Thus, total wastepaper collection in the U.S. in 1988 was about 25.5 million tons, equal to 29.9% of total paper and paperboard new supply, "the highest level in history."

"Continued growth in the paper industry depends upon sustained economic growth," Cavaney continued. "A progrowth trade policy, successful management of inflation, and reduction of the federal deficit without a major tax increase are essential ingredients for optimism on the economic front."

Cavaney said that most economists expect economic growth to continue in 1989, but at a slower pace, perhaps in the 2.5%-to-3% range. He noted that such an economic climate should enable the industry "to sustain a fourth consecutive year of advancing output." ■

CONTAINERBOARD

Nolichucky files for bankruptcy, closes mills

Nolichucky Industries Corp. has filed for bankruptcy for two closed recycled containerboard mills in Kalamazoo, Mich., and Arecibo, Puerto Rico. In a separate action, Hyde Park Paper Inc. has assumed Nolichucky's lease of James River Corp.'s idle Hyde Park, Mass., recycled paper mill. Hyde Park Paper was formed by a Boston, Mass., investment group that planned to reopen the mill by April, following a lengthy effort by local government officials, financiers, and union members to salvage the mill. The mill had operated for nearly 200 years at the Boston site but was closed by James River in December 1987.

Hyde Park Paper's president, David Weinstein, was earlier involved in efforts to keep Nolichucky solvent. Weinstein said the company plans to produce uncoated free-sheet at the mill using pulp substitute wastepaper collected from Boston office buildings. Conservatree Paper Co. tried to buy the mill last year with the intention of making recycled printing/writing paper. The mill is equipped with deinking facilities.

"This plant was operated by a major corporation. We just think there are things that a small entrepreneurial company can do that a major corporation can't do," Weinstein said with reference to James River. ■